National Alliance to End Homelessness

Pulse Check (Part 2): Continuing to Survey the Field in Uncertain Times

By Joy Moses and Daniel Soucy

Summary

The Alliance conducted a nationwide survey of CoCs and service providers to gauge the impacts of Trump administration policies. Most respondents (96 percent) had concerns about funding. **Forty-seven percent** of CoC leaders said their communities had already cut core services as a result of recent federal funding uncertainties. Respondents were confident that policy changes would increase homelessness while making it more difficult for people to access physcial and behavioral health services.

Homeless services are currently navigating turbulent waters. The Trump administration is dismantling years of progress in the field by slashing funding and drastically reducing the nation's focus on permanently housing people. Further, it is contributing to a growing movement to criminalize homelessness. In the midst of these changes, the Alliance decided to periodically check-in with Continuums of Care (CoCs) and service providers nationwide to understand people's views on what is happening and the impacts.

This report is the second installment in the Pulse Check series, with the first being published earlier this year. This new nationwide survey reached 427 leaders with Continuum of Care (CoC) and service provider organizations. They represent 44 states, the District of Columbia, and U.S. territories.

The Alliance learned that CoCs and providers are experiencing immense pressures related to funding and policy. These circumstances are already limiting services available to unhoused people while hurting efforts to end homelessness.

Funding Woes

The current era of homeless services is defined by significant funding woes rooted in actions by the Trump Administration:

- *Process Disruptions*. HUD has delayed payments to homeless assistance grantees, at times defying court orders. It has established significantly shortened and difficult-to-meet grant application deadlines. It completely suspended the funding of one major city (and could potentially target other localities in the future). Massive staffing cuts at HUD hurt its operations, including its ability to review grant applications and pay grantees. And the 2025 government shutdown did not help. These types of activities have existed across federal government agencies and programs and continue to grow. One watchdog organization estimates $177 billion in nationwide funding losses which will impact a broad range of sectors.

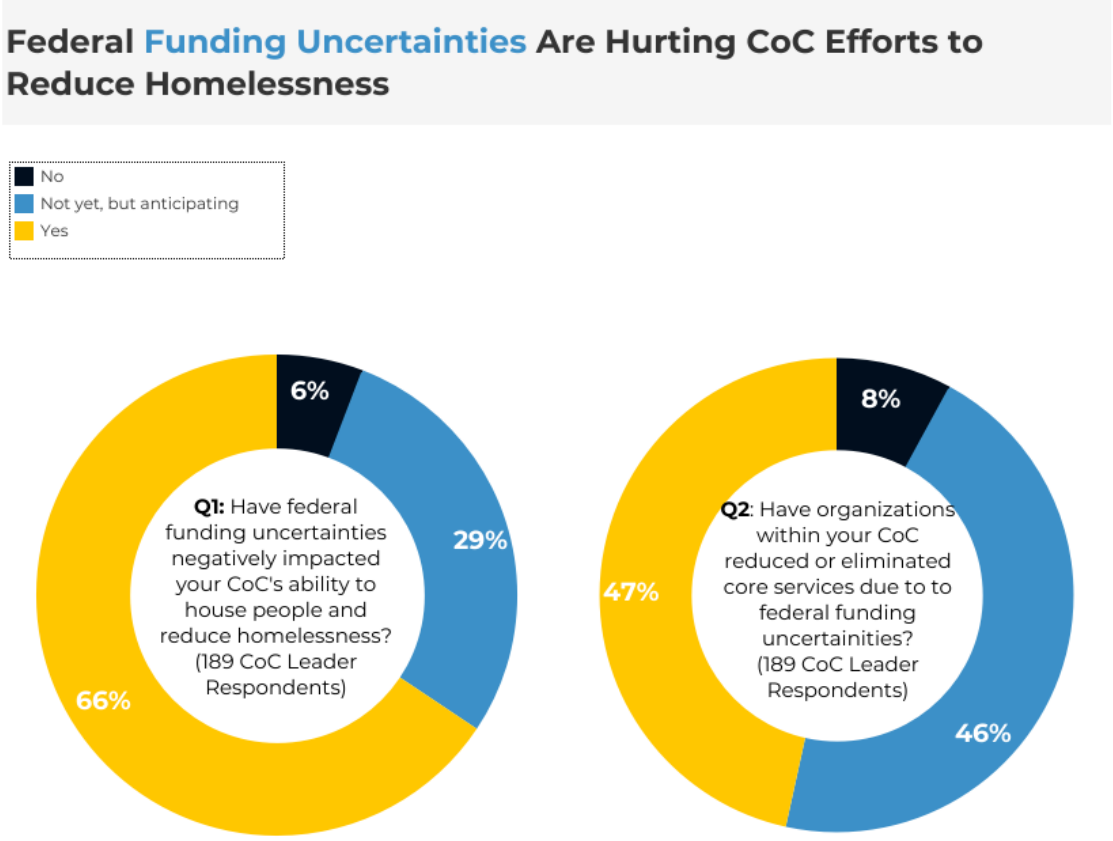
- *Policy Change Efforts*. Since taking office, the Trump administration has sought to shift the focus of homeless services away from permanent housing. Its desired changes leave providers scrambling to find new funds to maintain the housing of an estimated 97,000 formerly homeless people.
- *Federal Budget*. Through its budgets, the administration announced an intention to cut overall funding for homeless assistance grants by $27 million for FY 2026 and by $400 million for FY 2027. However, Congress has yet to implement these suggestions. They, along with new policy that shifts resources away from permanent housing and toward temporary housing, threaten the economic security of service providers.

It is within this context that the Alliance surveyed Continuums of Care and service providers about their thoughts on the current state of homeless assistance funding.

Very Concerned

When asked about potential federal funding cuts, an overwhelming **96 percent** of CoCs and service providers expressed some level of concern. A full **86 percent** said they were "very concerned".

Notably, the field significantly participates in federal homeless assistance programs. Among service provider respondents, **71 percent** receive CoC program funds, and **43 percent** receive Emergency Solutions Grant (ESG) funds. As a result, the funding disruptions to federal programs are widely felt.



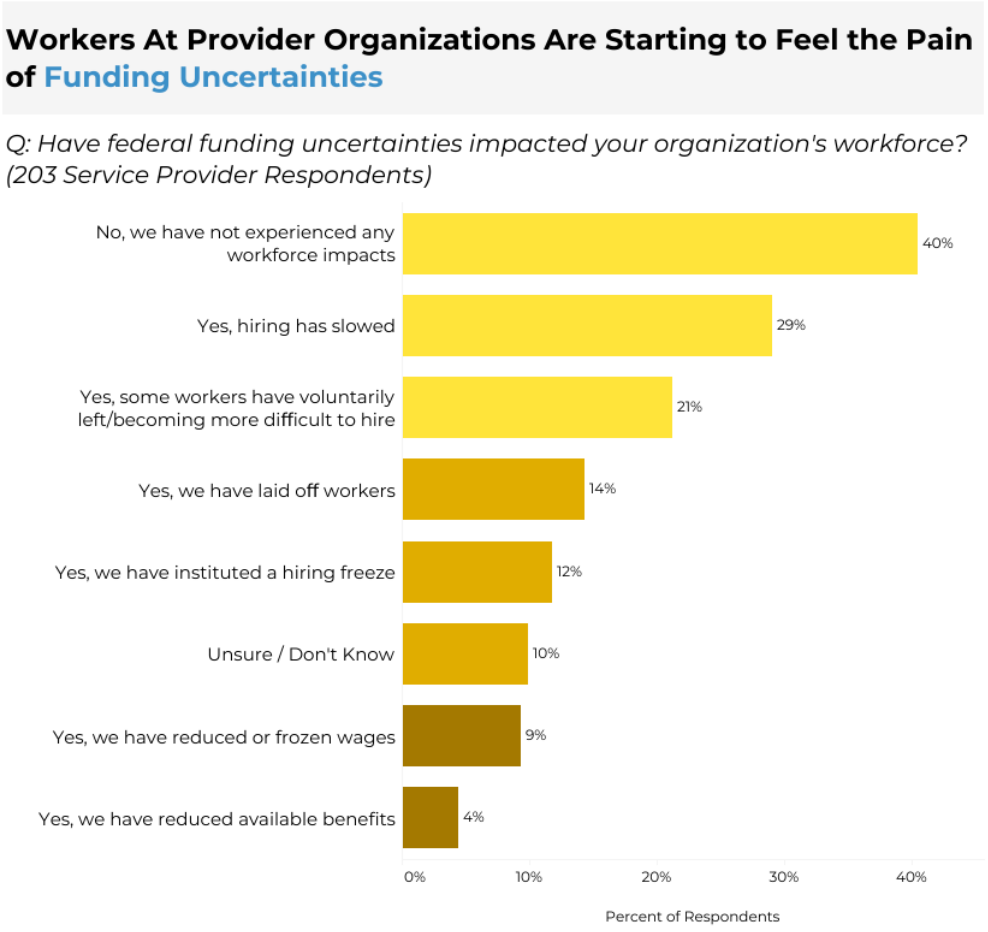
Concerns About People and Efforts to Reduce Homelessness

Local news outlets have been reporting that organizations in states like Texas, Oklahoma, Iowa, New Hampshire, Colorado, and California have experienced federal funding challenges that were disrupting (or threatening to disrupt) housing and services, or putting significant strain on employees. For example, providers were ending rent payments for people with disabilities or anticipating the need for loans to help manage federal funding delays.

Indeed, the Alliance's nationwide survey suggests that such challenges are widespread. **Sixty-six percent** of CoC leaders said that federal funding uncertainties were already negatively impacting their community's ability to house people and reduce homelessness.

An important factor impacting the goal of reducing homelessness is the ability to maintain core services such as housing and behavioral health treatment. **Forty-seven percent** of CoC leaders said some organizations in their community had already cut core services due to federal funding uncertainties. Another 46 percent anticipated this would happen in the future. When core services are cut, people are left unsheltered and efforts to reduce homelessness experience setbacks.

Staffing is another factor that can stall efforts to permanently house people. Those with complex needs, including overcoming the trauma of homelessness, benefit from solid relationships between service provider employees and clients. However, **29 percent** of service providers say they have slowed hiring due to federal funding uncertainties and **14 percent** have laid off workers. Further, when workers are aware that leaders are scrambling to make ends meet, they sometimes walk away from their jobs in search of more secure employment. These emerging staffing issues hurt efforts to meet client needs and reduce homelessness.



Causes of Concern

Undoubtedly, the actions of the Trump administration play a significant role in current funding woes. It has proposed direct cuts to homeless assistance grant programs. Additionally, leaders within both CoC and service provider organizations point to additional factors contributing to their funding uncertainties.

Federal Policies are Having the Greatest Influence on Funding Uncertainties

Q: Other than potential federal funding cuts to homeless and housing programs, are any of the following factors contributing to funding uncertainties in your organization? (Check all that apply)

	189 CoC Respondents	203 Service Provider Respondents
Delayed delivery of federal homeless assistance grant funds to my CoC	65%	49%
Expiration of pandemic-era homelessness and housing relief	57%	44%
New federal grant requirements conflict with those of other existing funders, putting our CoC at risk of losing funding	54%	42%
New funding priorities announced in the 2026 NOFO	84%	74%
Recent or potential cuts to federal programs within agencies other than HUD (for example Medicaid and SNAP)	80%	68%
Recent or potential cuts to funding from state government	47%	51%
Recent or potential cuts to funding from local government	39%	42%
Recent or potential reductions in private sector funding, including from foundations and private donors	26%	36%
Other	8%	14%

The most commonly cited stressor is the administration's goal to shift resources away from permanent housing that was included in a 2026 grant announcement (the "NOFO") used to solicit applications for federal funding. The pending shift leaves CoCs and providers worried about needing to replace resources currently keeping an estimated 97,000 people permanently housed. In addition to the people who may lose housing, organizations may lose vital grants. Consequences could include having to engineer difficult program pivots, lay off employees, downsize operations, or close their doors.

Additionally, **49 percent** of service providers and **64 percent** of CoC leaders said the Trump administration's delay in transferring awarded homeless assistance grant funds is contributing to funding uncertainties.

Beyond federal funding under the Trump administration, sizable numbers of survey respondents were concerned about cuts from state and local governments as well as from private sources such as foundations.

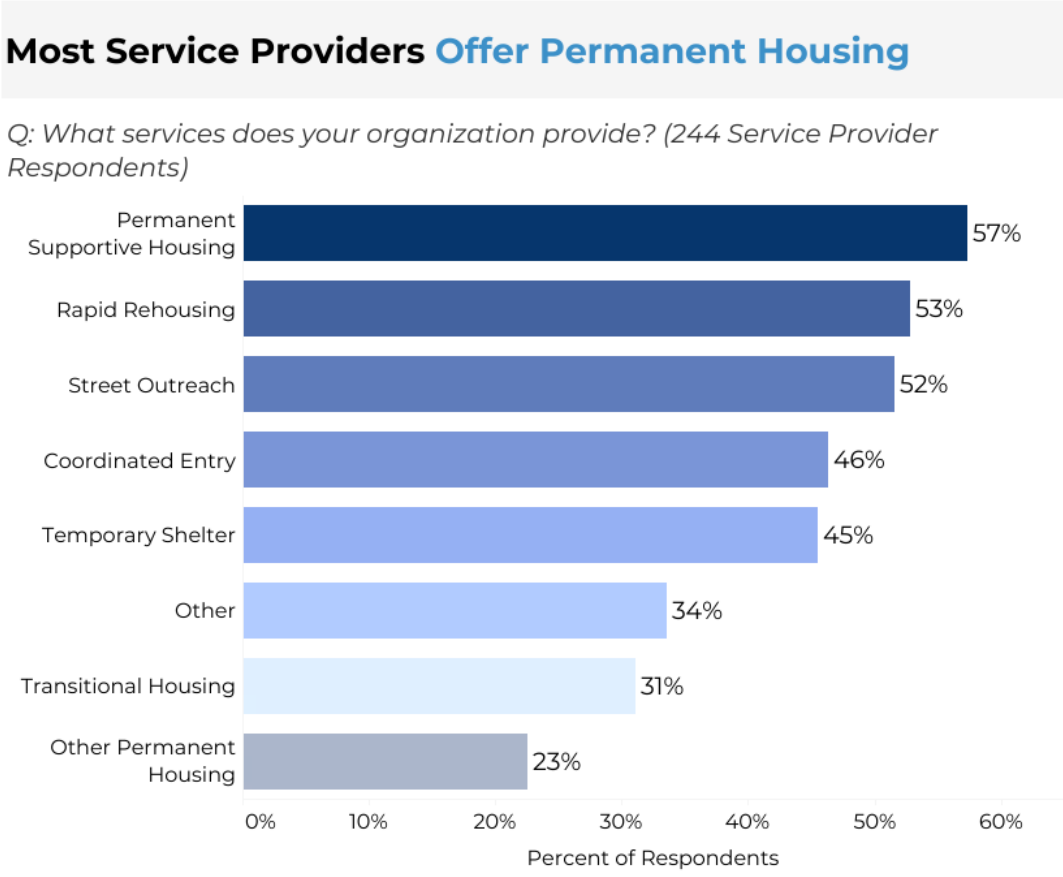
Moving Away from Permanent Housing

America has a problem: too many people do not have homes. Offering pathways to secure homes is a straightforward solution. Thus, Congress created the federal Continuum of Care program to "quickly rehouse homeless individuals and families."

However, through the grantmaking process, the Trump administration has expressed an intention to turn away from this core principle of homeless services. It wants more people in temporary housing while also shifting existing resources away from permanent housing, putting an estimated 97,000 people at risk of reentering homelessness. The Alliance survey asked the field about this policy shift and its implications.

Upheaval and Confusion

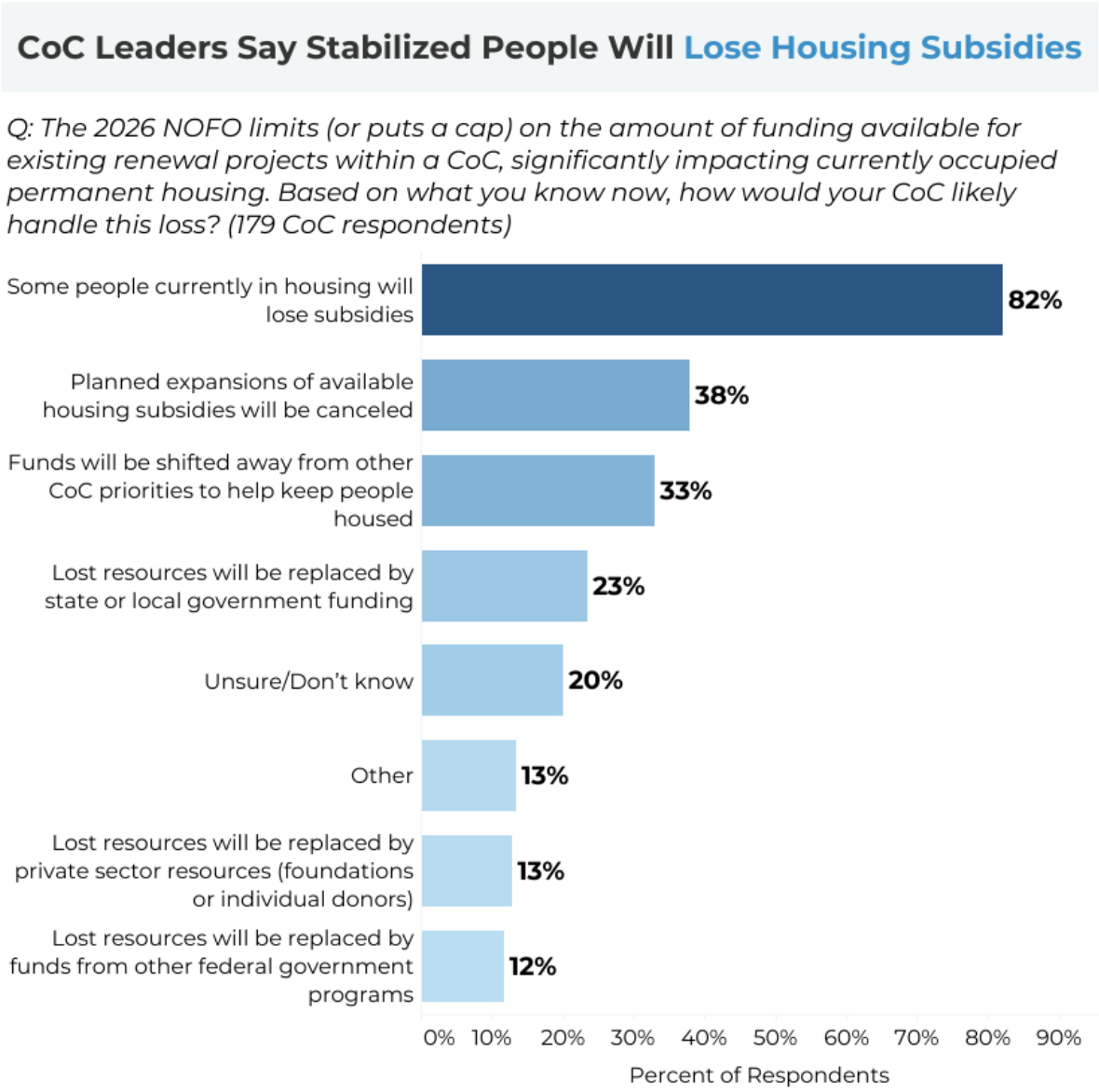
The Alliance survey found that most homeless services organizations provide a form of permanent housing. **Fifty-seven percent** are involved in Permanent Supportive Housing and **53 percent** in Rapid Re-Housing. Thus, the policy decision to shift away from permanent housing impacts most of the field — it is a major upheaval in the way people are served.



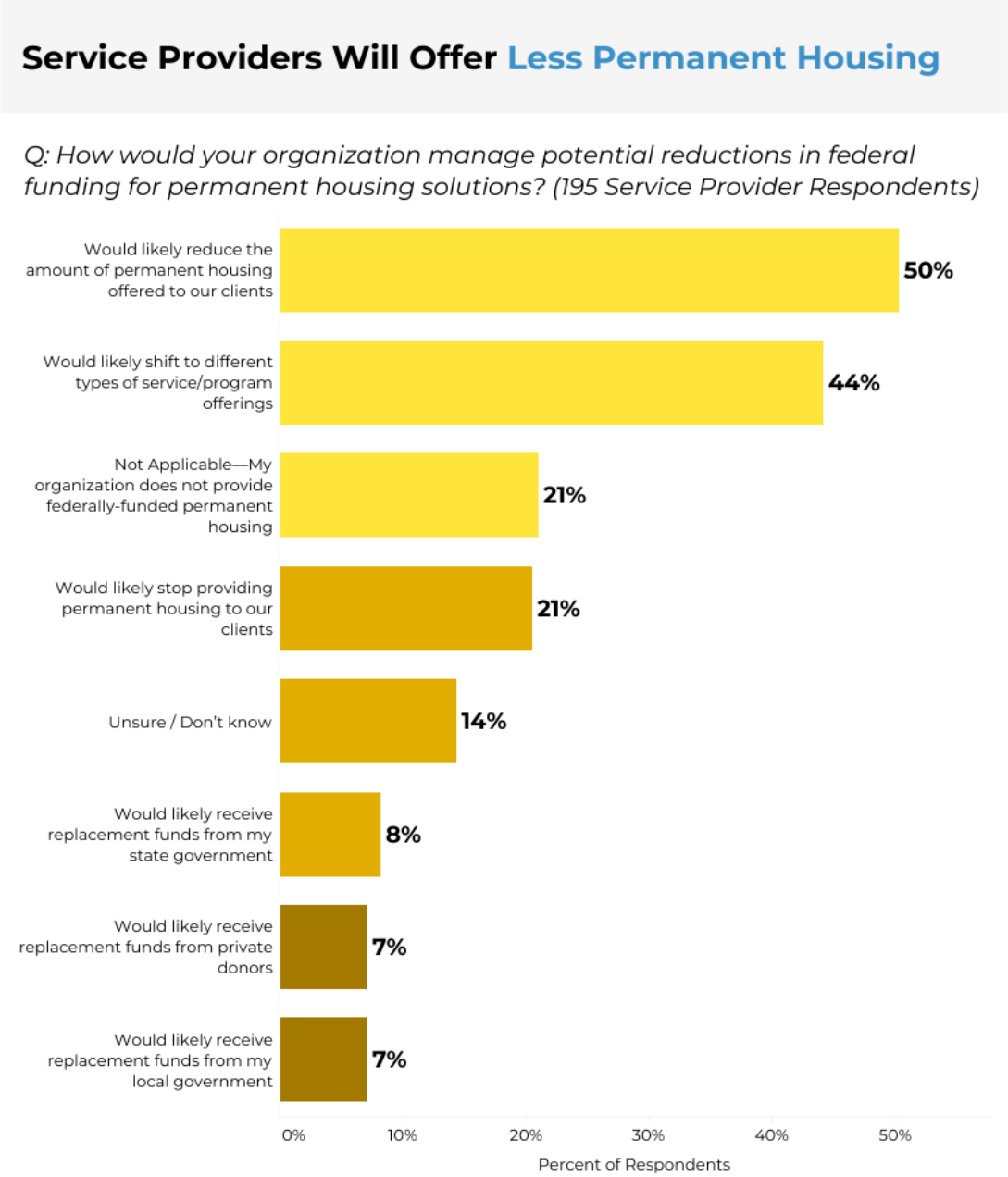
These shifts resulted in HUD changing the criteria used to award CoC program funds. Although most CoC and service provider leaders say they understood the administrative changes and their implications, **35 percent** said that they only "somewhat understand" and **5 percent** said that they "really don't understand." The departure from previous funding norms has created confusion and placed additional burdens on those responsible for implementing homeless programs.

Managing Change

HUD's 2026 funding announcement for the CoC program (i.e., the NOFO) would put new limits on amounts that could be spent on permanent housing. In responding to the Alliance's survey, CoC leaders predicted how they would manage losing these resources. An overwhelming majority (**82 percent**) said some currently housed people would lose their housing subsidies. Few thought that other sources (state/ local governments and the private sector) would be helpful in replacing lost funds for permanent housing.



Service providers shared similar views. Fifty percent said they would have to reduce the amount of housing they could offer to people who have experienced homelessness. They also doubted the other types of funders would be substantial enough to fill the housing gaps caused by these federal shifts. Some (**44 percent**), but not all, indicated that they would do the work of shifting their operations to different types of service/program offerings (likely forms of temporary housing).

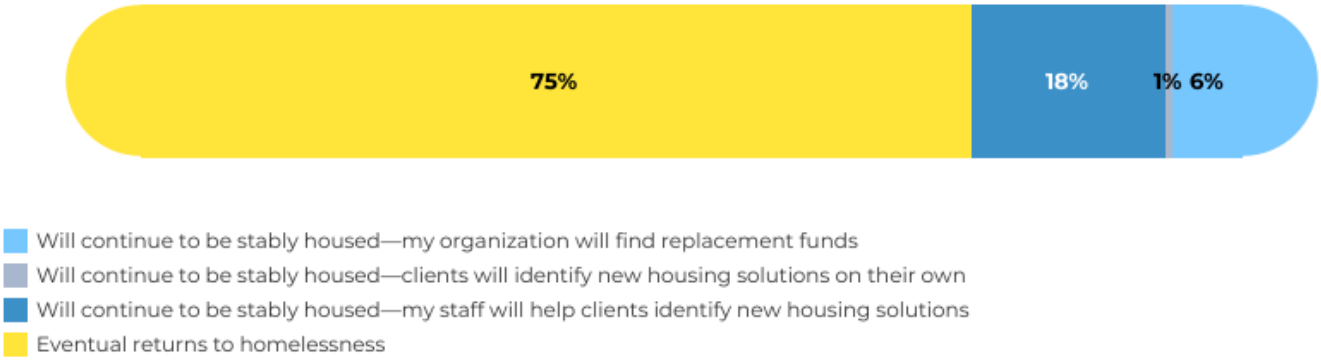


Ultimate Outcomes

Losses of housing subsidies and program offerings will not be the end of the story. People will have to live with the consequences — many of whom are people with disabilities, older adults, and families. **Sixty-one percent** of service providers expect that the most common outcome will be returns to homelessness while only **one percent** say that people will identify new housing solutions on their own.

Service Providers Predict Returns to Homelessness

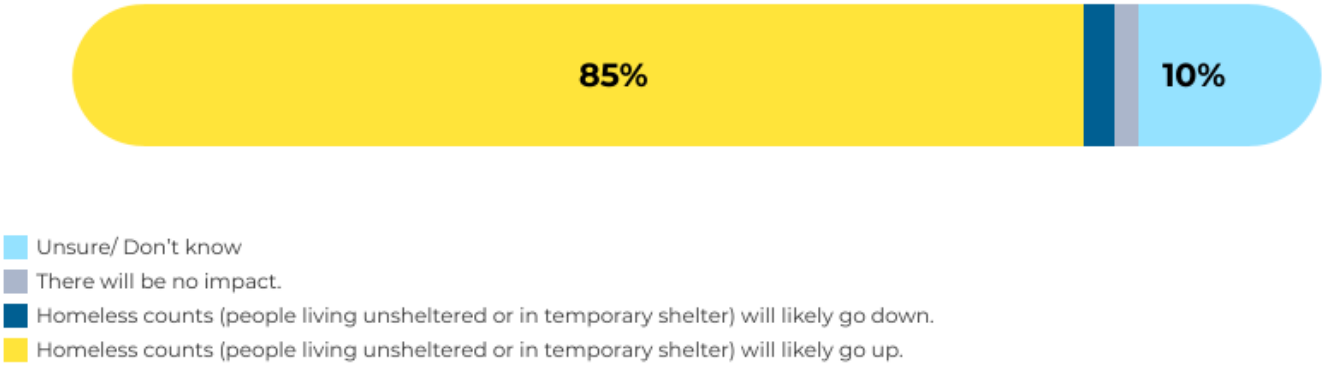
Q: For your organization, if federal funding for permanent housing is reduced or eliminated, what do you think will be the most common outcome for your clients? (158 Permanent Housing Service Provider Respondents)



It is unsurprising that CoC leaders overwhelmingly say (**85 percent** of respondents) that the Trump administration's changes will cause homelessness to rise, given other predictions that the Trump administration's policy shift will result in a reduced availability of permanent housing and increased returns to homelessness. And, unfortunately, only a small minority (3 percent) believe this change will actually reduce the number of people who experience homelessness.

CoC Leaders Say Homeless Counts Will Go Up

Q: Given the reductions in funds available for permanent housing, what impact do you think this will have on your service area's homeless counts? (179 CoC Respondents)



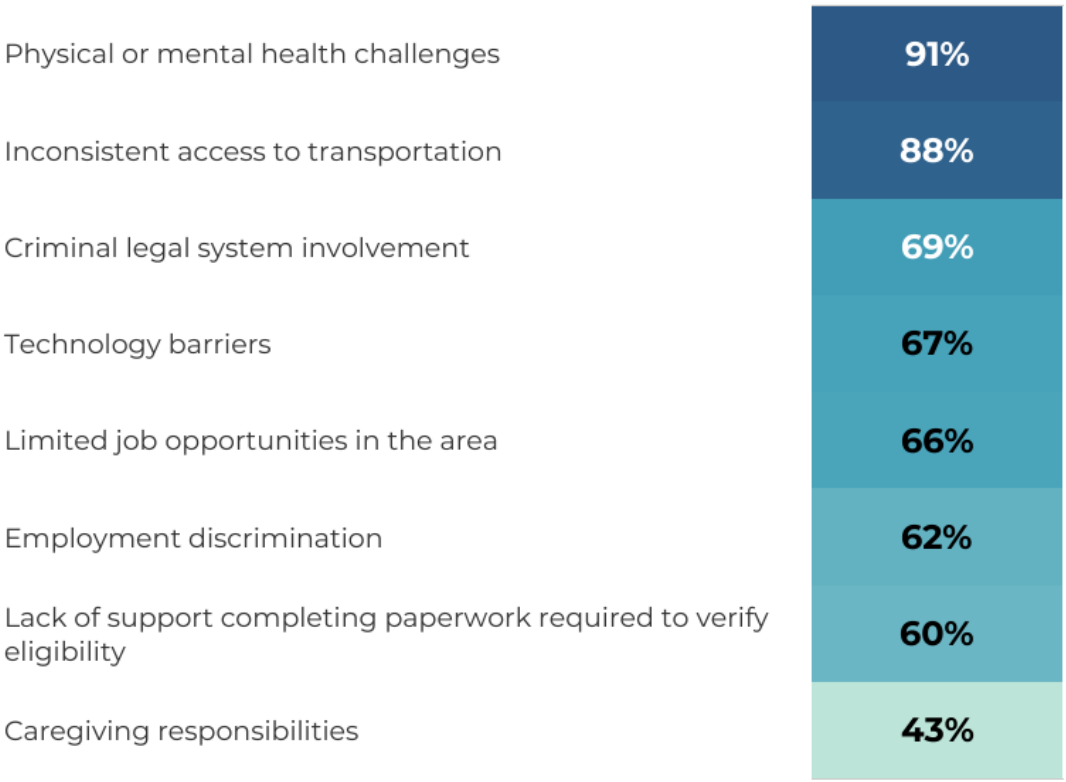
Medicaid Cuts Make It Harder to End Homelessness

Cuts and changes to Medicaid will worsen existing challenges tied to accessing healthcare, especially for people experiencing homelessness. The Affordable Care Act of 2014 and 2023 changes to Medicaid eligibility rules significantly expanded health insurance coverage for low-income Americans. However, in 2025, Congress passed legislation (The "One Big Beautiful Bill Act") that erected new hurdles for people to qualify for Medicaid and made it more difficult for states to fund the program. States are expected to reduce the numbers of covered services, healthcare workers, and enrollees. In total, at least 7.5 million people are expected to lose coverage because of these changes.

One primary change to Medicaid is the addition of "community engagement" requirements to keep their health insurance which mandate that people work 80 hours per month or produce documentation proving they cannot work. People experiencing homelessness are not exempt from this requirement. Almost every respondent to both the CoC and the service provider surveys believe their clients will face at least one barrier to meeting these requirements. For example, many serve chronically homeless people with disabilities, and **91 percent** of service providers say that physical and mental health challenges could interfere with some clients' ability to work. As a result, the most vulnerable populations risk losing access to health insurance through no fault of their own.

Service Providers Say Many People Will Lose Healthcare Because of New Medicaid Requirements

Q: In your opinion, what barriers would your clients face in meeting "community engagement" requirements? (Select all that apply)
(188 Service Provider Respondents)

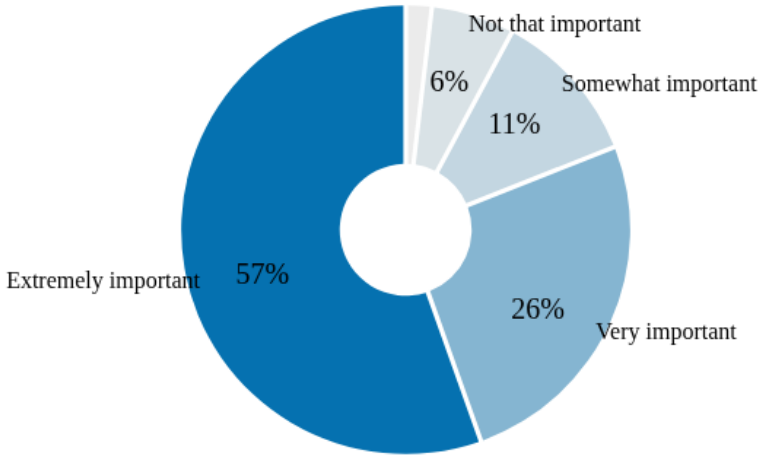


Survey responses suggest the loss of healthcare coverage could make it more difficult for people to exit homelessness. Among respondents, **95 percent** of CoC leaders and **94 percent** of service providers say that Medicaid is at least "somewhat important" in serving and stabilizing their clients. The majority of service providers said Medicaid is "critical" for providing behavioral health care (**78 percent**) and physical health care (**67 percent**). Further, a large share of respondents (**36 percent**) work for organizations that rely on Medicaid funding to provide housing-related services that make it easier for people to afford rent and remain stably housed. Cuts to Medicaid will undermine organizations' ability to provide these services to their clients.

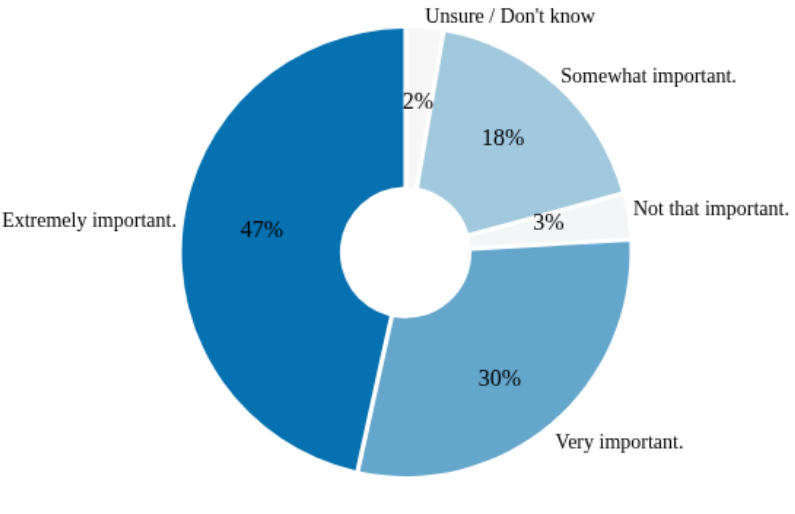
Cuts to Medicaid Will Hurt Efforts to End Homelessness

Q: How important is Medicaid in your organization's efforts to serve and stabilize your clients?

191 Service Provider Respondents



166 CoC Leader Respondents



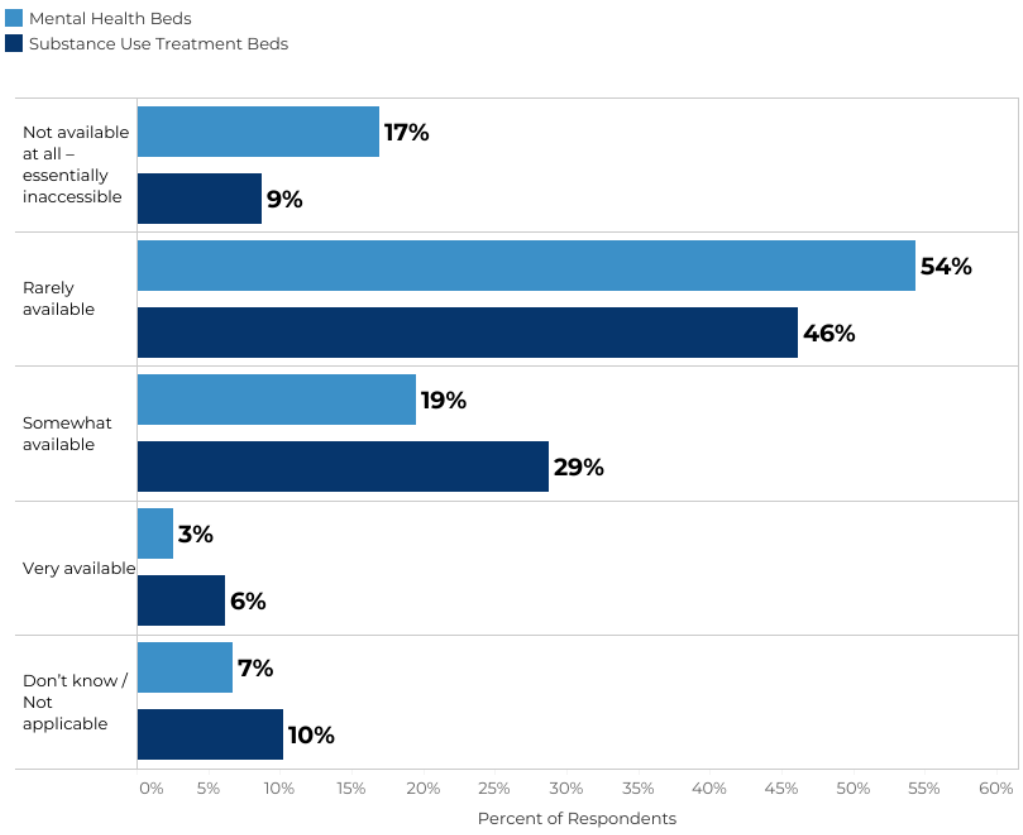
Groundless Shifts Toward Institutionalization

In 2025, the Trump administration issued an executive order directing federal agencies to take steps to forcibly institutionalize people experiencing homelessness and eliminate public health programs that reduce harm for people who use drugs. The survey responses raise serious concerns about this approach that appears to be targeting people living unsheltered. While **52 percent** of CoC leaders say it may be appropriate for a small subset of people, just **3 percent** of CoC leaders and service providers believe that involuntary treatment is appropriate for most people. Studies indicate that forced treatment tends to produce poor outcomes and harmful consequences.

The administration's approach is out of touch with the reality of people struggling to access behavioral healthcare in the United States. According to existing research, many unhoused people with behavioral health conditions want treatment but cannot access it. Similarly, the Alliance survey found that **59 percent** of service providers said that beds in mental health hospitals are not available or are rarely available. **Fifty-five percent** said the same about substance use treatment beds. These challenges are exacerbated by persistent worker shortages, with **sixty-five percent** of providers agreeing that there are not enough behavioral health workers in their communities. Shortages are worse in rural areas: **67 percent** of rural providers said mental health beds are rarely available or not available in their communities and **77 percent** noted health worker shortages.

Communities Face Large Mental Health and Substance Use Treatment Shortages

Q: In your community, how available are beds in mental health hospitals and substance use disorder treatment facilities for people experiencing homeless..

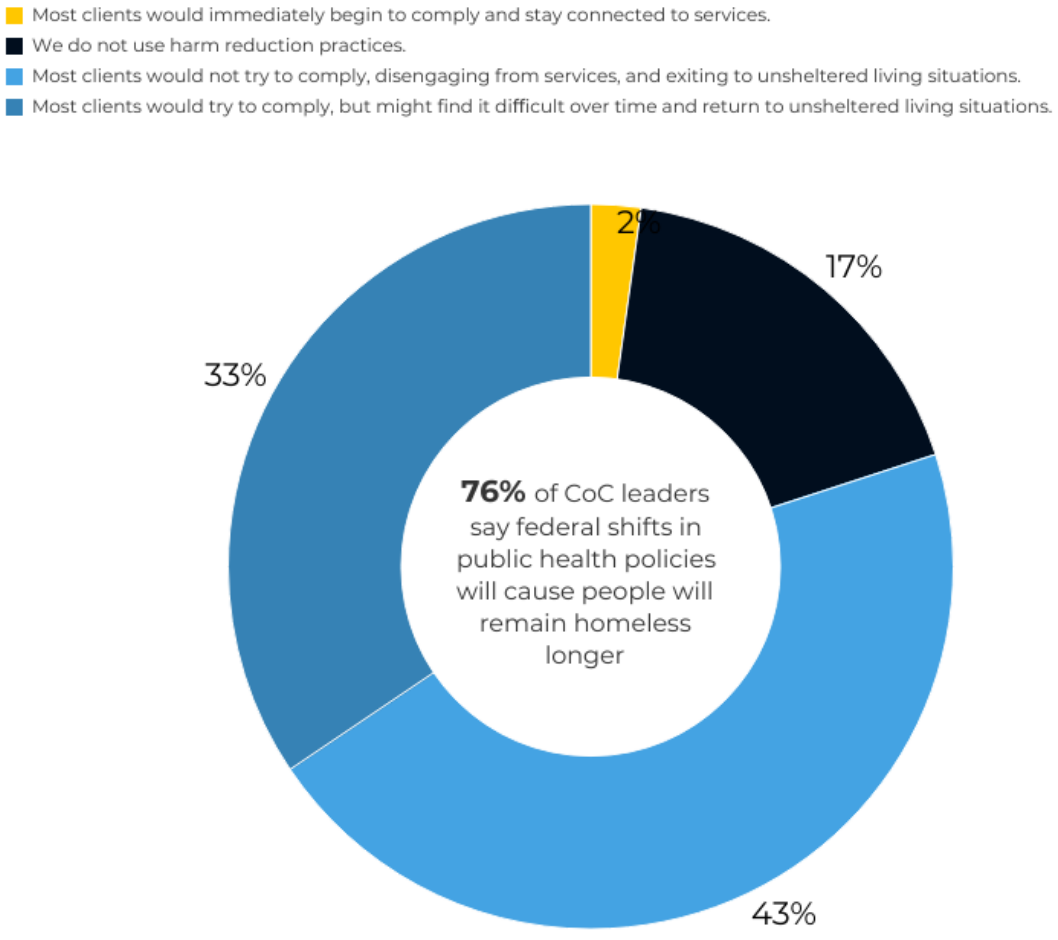


Federal directives ordering service providers to institutionalize more people will not address these shortages. People cannot be forced into treatment beds that do not exist. Policymakers should work quickly to make behavioral healthcare more accessible, but service providers agree that forced treatment is not a serious solution.

The federal government is also trying to move away from practices with a proven track record of promoting health by eliminating, cutting, or delaying funding to programs that provide overdose reversal medication, addiction medication, clean needles, and other resources that promote recovery and help keep people safe. **Seventy-six percent** of CoC leaders believe that these actions will force people to remain homeless longer. Again, research backs survey respondent beliefs that harm reduction programs make it easier for people to access treatment and stay housed.

Eliminating Public Health Programs Will Keep People Homeless Longer

Q: If your organization were required to eliminate harm reduction practices (for example, access to Narcan, safe needle exchange, or access to housing without requiring treatment or services) and instead enforce sobriety requirements, what impacts would you expect on your client population? (190 Service Provider Respondents)



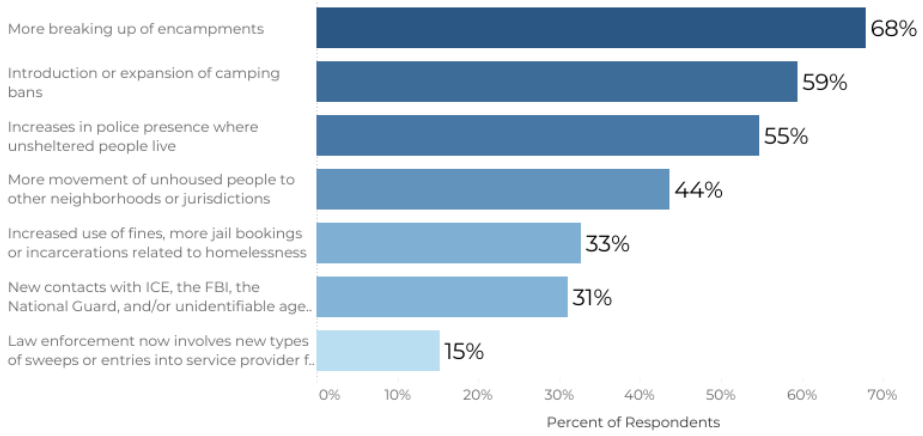
Criminalization Policies Undermine Progress

In June 2024, the U.S. Supreme Court issued its decision in *City of Grants Pass v. Johnson*. The case has given jurisdictions across the country permission to punish people living unsheltered, even when there is no shelter available. Trump's 2025 executive order on homelessness further encouraged such policies. As a result, efforts to criminalize homelessness have multiplied throughout the country.

Responses to the current Alliance *Pulse Check* survey echo findings from the previous *Pulse Check* survey which documented the spread of these policies and the negative impacts they have on efforts to end homelessness.

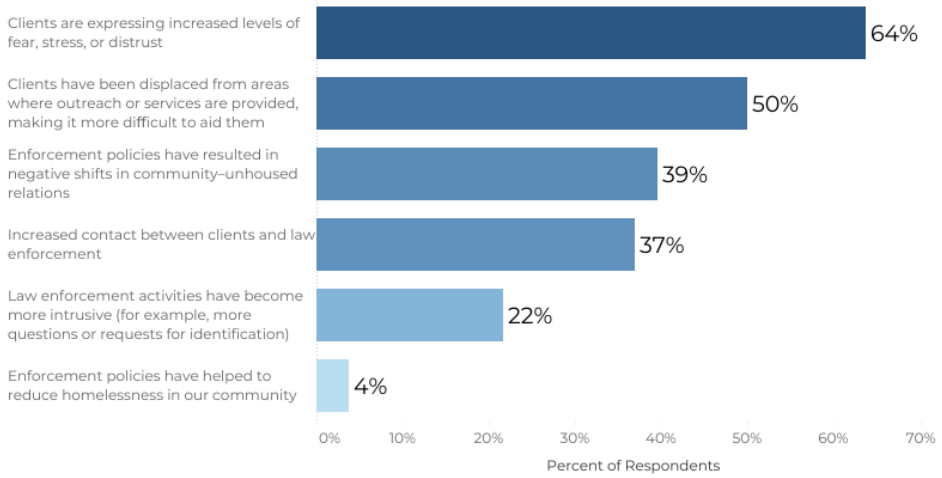
Service Providers Are Noticing a Rise in Policies that Punish People Experiencing Homelessness

Q: Since 2024, have you observed increases in certain policies, practices, or enforcement activities in your region that address homelessness through criminal or legal measures? (Select all that apply) (190 Service Provider Respondents)



These Make it More Difficult for Them to End Homelessness

Q: Since 2024, my staff has noted the following about client contacts with law enforcement (Select all that apply) (190 Service Provider Respondents)

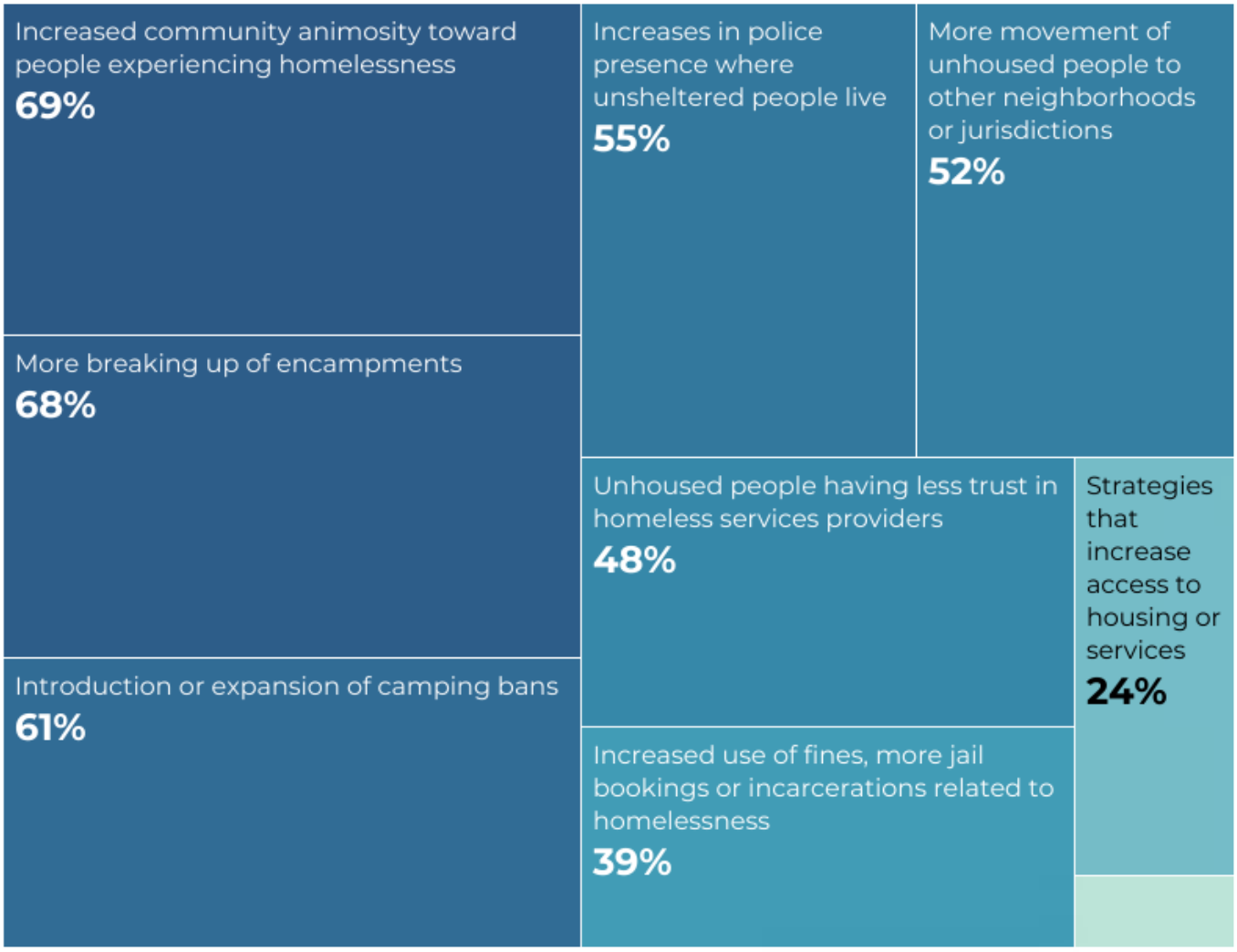


Notably, the majority of providers (**50 percent**) said punitive policies displace people and make it more difficult to serve them, prolonging crisis situations. **Sixty-nine percent** of CoC leaders have also noticed these policies are tied to a rise in public animosity toward people who do not have a place to live. Just **one in four** of these CoC leaders said that punishment has been linked to increased access to housing and services aimed at ending homelessness.

Instead of solving problems, these shifts toward blame and punishment force clients to hide, increase fear among unhoused people, and make it harder for providers to help them move inside.

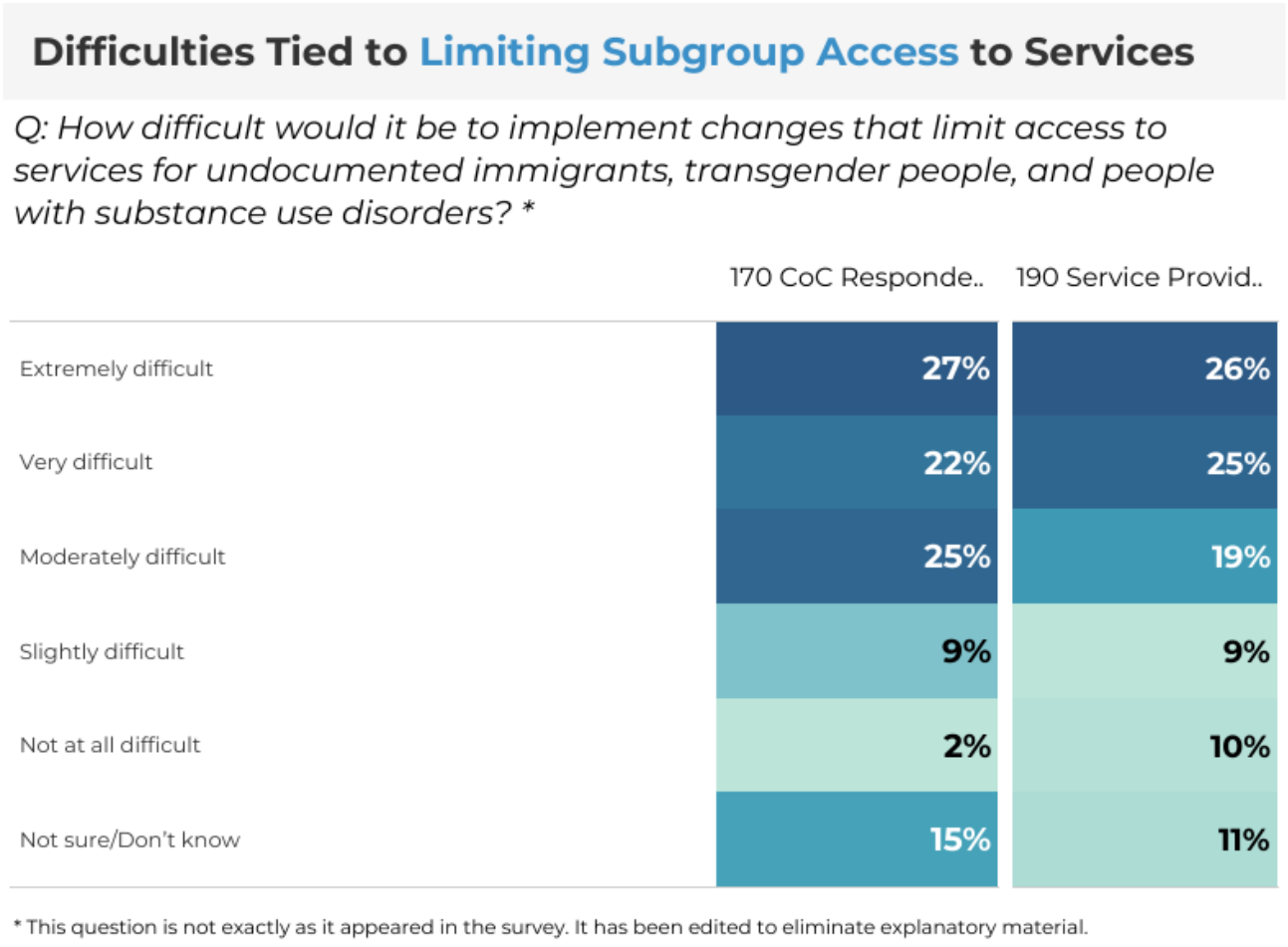
CoC Leaders Also See a Rise in Harmful Punitive Policies

Q: Since 2024, have you observed increases in certain policies or other outcomes related to criminal or legal measures? (Select all that apply) (170 CoC Leader Respondents)



Subpopulation Concerns

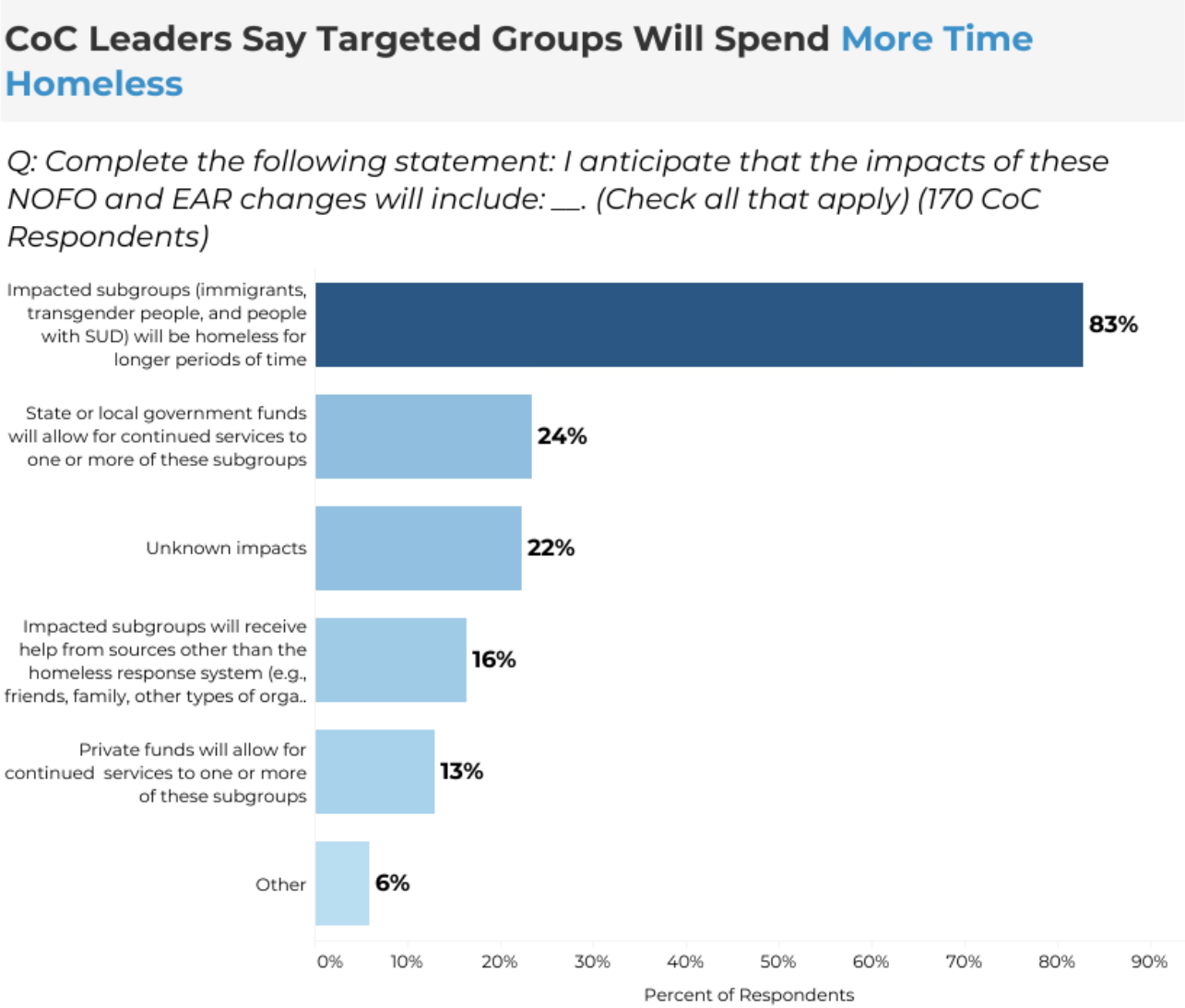
HUD's 2026 funding announcement for the CoC Program ("the NOFO") put a focus on certain subpopulations — namely undocumented immigrants and transgender people. The goal was to limit group access to homeless services by forcing community and grantee compliance with specific executive orders. The agency also seeks to repeal Equal Access rule protections that help transgender and other gender-expansive people access homeless services. It had previously announced that it would stop enforcing the rule.



When asked in the Alliance survey, **81 percent** of CoCs and service providers assumed "some level of difficulty" would be involved in implementing such changes. Respondents most commonly added that these changes would be "extremely difficult" to make.

That being said, it is unlikely that requiring these changes would advance the goal of reducing and ending homelessness. CoC leaders, who have community-wide or regional perspectives, largely predicted (**83 percent**) that targeted groups would spend more time homeless. However, a small number (24 percent) believed state or local funds could provide enough resources to help serve these groups.

Finally, if forcing people to change who they are or how they live is a goal of the administration, service providers who work closely with clients believe that this approach will not work. For example, a mere **8 percent** predicted that transgender clients would conform to gender norms in order to obtain assistance.



Summary Thoughts and Conclusion

Massive disruptions in federal policy and funding are undermining the homeless response system's core objective of rehousing people. Approximately **four out of five** CoC leaders and service providers are struggling to serve people experiencing homelessness because of these policy shifts. Even more CoC leaders find it difficult to prepare for their community's long-term need for homeless services. One provider summarized this concern saying, "Uncertainty across multiple federal housing, homelessness, health care, and community development programs makes it difficult to assess the long-term financial viability of existing housing and planned development."

Federal Disruptions and Funding Cuts Are Straining the Nation's Homeless Response System

Q: What are the most significant challenges your CoC is currently facing because of potential shifts in federal policy and funding? (Select Up to 3)

	164 CoC Leader Respondents	181 Service Provider Respondents
Reduced or uncertain funding making it difficult to engage in strategic or long-term planning	87%	80%
Reduced or uncertain funding making it difficult to serve clients	78%	81%
Layoffs, potential layoffs, or staffing shortages	36%	35%
Challenges in maintaining critical partnerships or collaborations	30%	16%
Difficulty accessing technical assistance or capacity-building resources	15%	6%
Changes in eligibility rules affecting immigrant clients	14%	18%
Increases in police presence where unsheltered people live	11%	14%

Funding cuts and HUD policies are not the only changes straining efforts to end homelessness. Increasing state and local criminalization policies are displacing people, making it more difficult for service providers to locate and connect them with housing and services. At the same time, providers expect Medicaid cuts to cause people to lose access to healthcare. These challenges will place even greater demands on providers to serve their clients with increasingly limited resources.

The homeless response field has never been adequately resourced to meet the needs of everyone experiencing homelessness. The field remains determined to find solutions, rehousing hundreds of thousands of people each year despite significant headwinds. But harmful policies are exacerbating long-existing funding shortages and could push providers to a breaking point. To end homelessness, organizations and service providers need leaders at every level of government to take their challenges seriously and respond with robust funding and political support.